





2011-12 OPERATING BUDGET OVERVIEW

The Operating Budget for Fiscal Year 2011-12 totals \$193.8 million, with revenues for the year estimated at \$197.2 million. General Fund revenues are estimated at \$113.6 million and General Fund budgeted operating expenditures are \$111.8 million.

REVENUE

The following table shows the total operating revenues the city anticipates receiving for the remainder of FY 2010-11, as well as those estimated for FY 2011-12.

REVENUE SUMMARY BY FUND TYPE (in Millions)				
FUND	PROJECTED 2010-11	ESTIMATED 2011-12	\$ CHANGE	% CHANGE
GENERAL FUND	\$ 111.3	\$ 113.6	\$ 2.3	2.1%
SPECIAL REVENUE	14.9	11.3	(3.6)	-24.2%
ENTERPRISE	50.4	52.8	2.4	4.8%
INTERNAL SERVICE	15.9	16.0	0.1	0.6%
REDEVELOPMENT	3.8	3.5	(0.3)	-7.9%
TOTAL	\$ 196.3	\$ 197.2	\$ 0.9	0.5%

Revenue estimates for the Operating Budget indicate that the city will receive a total of \$197.2 million in FY 2011-12, a \$900,000, or 0.5 percent, increase over the prior year's projections. The significant changes from the prior year include a \$2.4 million, or 4.8 percent, increase in the Enterprise Funds due to proposed water and wastewater rate increases. The General Fund shows an increase of \$2.3 million, and Special Revenue Funds show a decrease of \$3.6 million from the prior year. More information on the city's revenue sources can be found in the discussion that follows.

General Fund

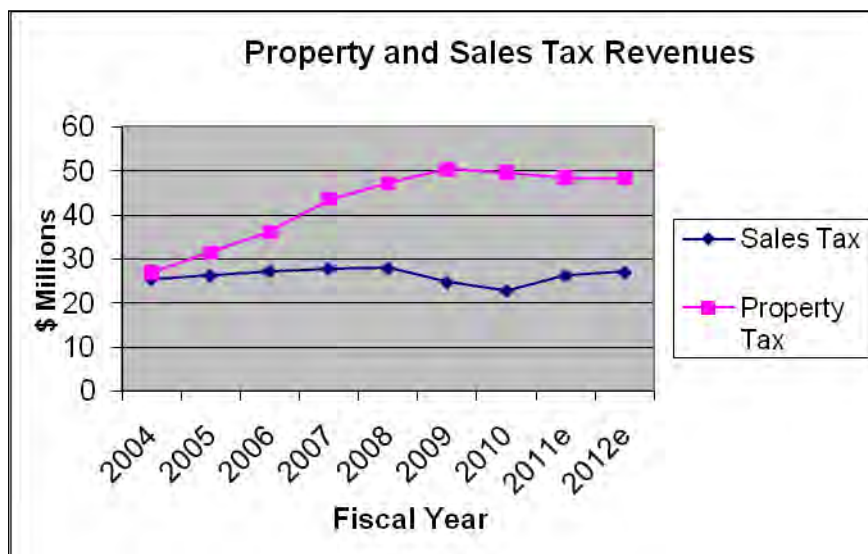
General Fund revenues provide a representative picture of the local economy. These revenues are of particular interest as they fund basic city services, such as Police, Fire, Library, Street and Park Maintenance, and Recreation programs. The table below provides a summarized outlook for the major General Fund revenues.

SIGNIFICANT GENERAL FUND REVENUES (In Millions)				
FUND	PROJECTED 2010-11	ESTIMATED 2011-12	\$ CHANGE	% CHANGE
PROPERTY TAX	\$ 48.4	\$ 48.3	\$ (0.1)	-0.2%
SALES TAX	26.3	27.1	0.8	3.0%
TRANSIENT OCC. TAX	11.4	12.0	0.6	5.3%
FRANCHISE TAXES	4.7	4.6	(0.1)	-2.1%
BUSINESS LICENSE TAX	3.4	3.5	0.1	2.9%
DEVELOPMENT REVENUES	2.1	1.9	(0.2)	-9.5%
ALL OTHER REVENUE	15.0	16.2	1.2	8.0%
TOTAL	\$ 111.3	\$ 113.6	\$ 2.3	2.0%

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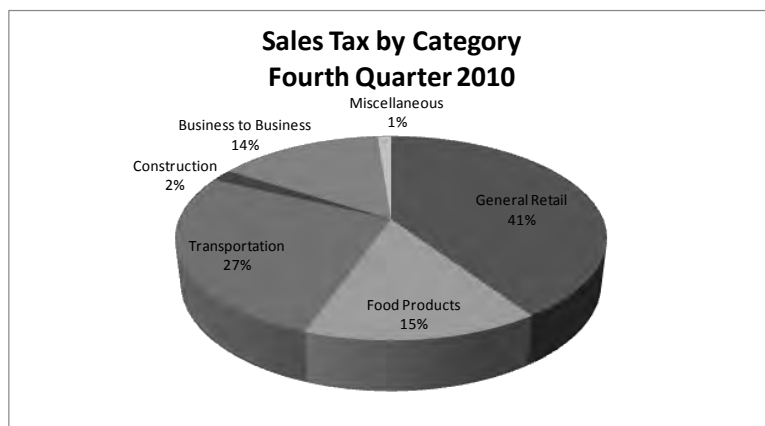
As we continue a slow recovery from the worst economic recession since the Great Depression, we are seeing improvement in most of the General Fund revenue sources. Several of the largest revenue sources in the General Fund are sensitive to fluctuations in economic variables. For example, continued weakness in the residential housing market (some economists believe we may be witnessing a double dip) is adversely affecting property tax receipts. However, the city's sales taxes, transient occupancy taxes and development related revenues appear to be increasing in step with the economic recovery. In the upcoming fiscal year, it is expected that **property taxes** will be approximately \$48.3 million, a 0.2 percent decrease over the projection for FY 2010-11. This is based on a 0.2 percent estimated decrease in assessed valuation, as provided by the County Assessor in May 2011, partially offset by new construction that has occurred over the past year. The median single family home price in Carlsbad is currently \$626,000, which is down 8.1 percent over the same time a year ago.

Property taxes tend to lag behind the rest of the economy, as the tax revenue for the upcoming fiscal year is based on assessed values from January. Thus, the taxes to be received for Fiscal Year 2011-12 are based on assessed values as of January 1, 2011.



Proposition 13, adopted in 1978, limits the annual increase in assessed values for property. Under this proposition, assessed values (and the related property tax) can grow by no more than two percent per year. The value upon which the tax is based is only increased to the full market value upon the sale of the property. Thus, property taxes tend to grow slowly unless there is a significant amount of housing activity.

In past decade, we have seen robust growth in property taxes due to new development, high turnover of existing homes, and double-digit growth in housing prices.



Changes in sales tax revenue align more closely with changes in the overall condition of the economy, and are expected to increase as the current economic recovery gains steam. **Sales taxes** are expected to total \$27.1 million for FY 2011-12, an increase of 3 percent compared to the FY 2010-11 projections. The City of Carlsbad has many car dealerships which historically generated approximately \$6

million of sales tax each year. Car sales have slowed since FY 2008-09 but started to show slight gains in the 4th quarter of 2010, resulting in annual car sales projections of approximately \$5.8 million for FY 2011-12. Over the past year, many national car manufacturers have seen double-digit growth, partially due to the incentives they have offered to lure customers (cash

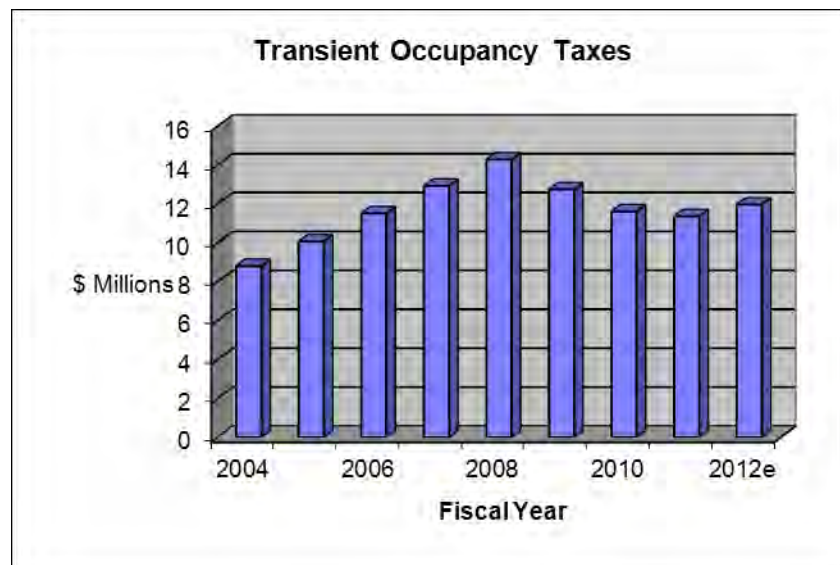
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rebates and zero percent financing options, to name a few), as well as pent up demand. Although the city does not expect to see this continued level of growth in sales tax revenues from car sales in FY 2011-12, this growth signals that the economic recovery is well underway. The city's auto mall, Car Country Carlsbad, is now fully leased up, which should also add to the growth in revenues generated from car sales. In addition, retail comprises over 40 percent of the sales tax generated in Carlsbad and with a recovering economy, it is anticipated there will be more discretionary purchases as compared to the past couple of years. As consumer confidence continues to increase, the city's sales tax revenues are projected to continue to increase, but at a slower rate than what the city experienced in FY 2010-11. Included in the projected sales tax figures for FY 2011-12 is the opening of new stores at Paseo Carlsbad, new retail outlets in Bressi Ranch and a full year of sales tax revenues from two new auto dealerships in the city's auto mall.

Several years ago, the State of California implemented the "Triple Flip." The "Triple Flip" is essentially a temporary swap of a $\frac{1}{4}$ cent of the cities' sales taxes in return for property tax. It was done in order to give the state a revenue source against which they could issue deficit reduction bonds. The city's sales tax estimates continue to classify this amount as sales tax.

As can be seen in the chart on the previous page, the city's sales tax base is heavily weighted in the transportation (predominantly new car sales) and retail sectors. These two sectors make up approximately 68 percent of the city's sales tax base and were negatively impacted by the recent economic recession. During FY 2010-11, sales tax revenues, especially in the auto and retail sectors, increased rapidly as the economy began to recover.

Sales tax estimates also include approximately \$780,000 in Proposition 172 funds, which are earmarked for public safety service expenditures. Proposition 172 requires that the $\frac{1}{2}$ cent increase in California sales taxes be allocated to local agencies to fund public safety services.

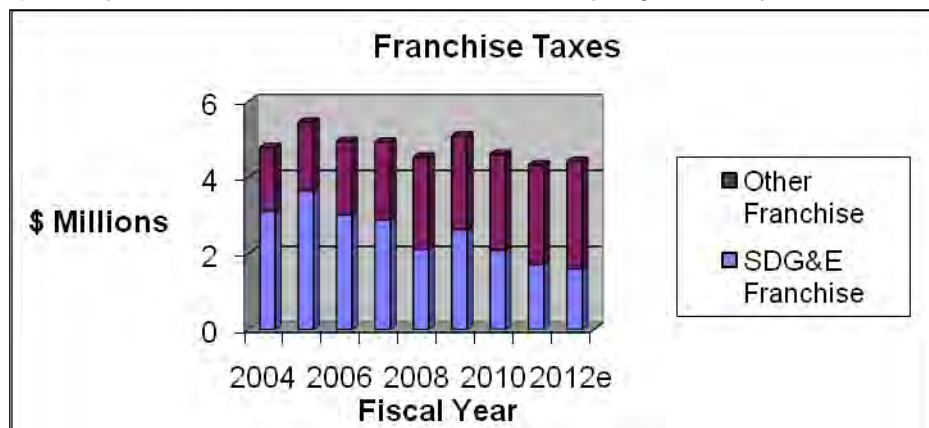


The third highest General Fund revenue source is **Transient Occupancy Taxes** (TOT, or hotel taxes), estimated at \$12 million for FY 2011-12, an increase of 5.3 percent compared to FY 2010-11 estimates. It is anticipated that there will be slight increases in the average daily rate in FY 2011-12, a flat occupancy rate compared to FY 2010-11, and the reopening of a section of the La Costa Resort, which was closed for a portion of FY 2010-11 due

to renovations. In addition, the Park Hyatt Hotel, which took over operations of the Four Seasons Aviara Hotel in June 2010, is becoming more established, raising the expectations of higher TOT revenues in FY 2011-12.

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One of the more volatile General Fund revenues is the **Franchise Tax**. Franchise taxes are paid by certain industries that use the city right-of-way to conduct their business. The city



currently has franchise agreements for cable TV service, solid waste services, cell sites, fiber optic antenna systems and gas and electric services. The cable and solid waste franchises have been growing along with the growth in population, changes in their rate structures, and the

continued growth of the city's newest cable franchisee, AT&T. Overall, franchise tax revenues are projected to decrease by approximately 2 percent, primarily due to decreased receipts from gas and electric services, which are paid by San Diego Gas and Electric (SDG&E).

SDG&E pays franchise taxes for the use of the public land over which they transport gas and electricity. The city also receives an "in-lieu" franchise tax based on the value of gas and electricity transported on SDG&E lines, but purchased from another source. The "in-lieu" tax captures the franchise taxes on gas and electricity that is transported using public lands but which would not otherwise be included in the calculations for franchise taxes, due to deregulation of the power industry. The majority of the "in-lieu" taxes received is attributable to Cabrillo Power, the operator of the Encina power plant, and is based on the gas used in the generation of electricity. The continued reduction in operations at the Encina power plant is projected to negatively impact the "in-lieu" franchise tax paid by SDG&E, leading to the projected decrease in franchise taxes.

Development-related revenues include planning, engineering and building permits, and fees paid by developers to cover the cost of reviewing and monitoring development activities such as plan checks and inspections. These revenues are difficult to predict, as many of the planning and engineering activities occur months or years before any actual development.

During FY 2009-10, development related revenues began to turn around from historic lows experienced in FY 2008-09. Although not as high as FY 2009-10, FY 2010-11 development related revenues are projected to end the year higher than the historic lows experienced in previous years. In FY 2011-12, development-related revenues are anticipated to decrease slightly as a result of the depressed housing market activity. In FY 2009-10, there were 339 units permitted for residential housing. For FY 2010-11, 212 residential units have been permitted through April 2011. For FY 2011-12, 187 permits are projected to be issued for residential housing. The commercial and industrial building activity remained weak for FY 2009-10 and FY 2010-11, and is expected to continue to be weak in the coming fiscal year. Due to subdued activity in residential and commercial development, building-related revenues are expected to drop by 9.5 percent in FY 2011-12.

Business license taxes are closely tied to the health of the local economy and are projected to increase by 2.9 percent to an estimated \$3.5 million. There are currently about 8,800 licensed businesses in Carlsbad, with just under 2,600 of them home-based.

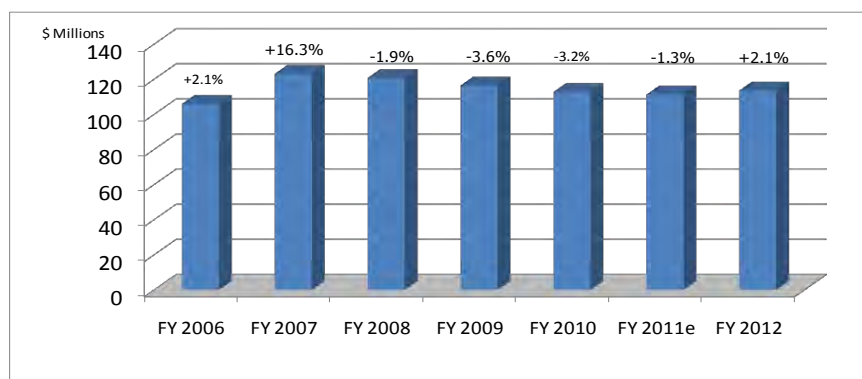
All other revenues include vehicle license fees, transfer taxes, interest earnings, ambulance fees, recreation fees, and other charges and fees. The estimate for Fiscal Year 2011-12 totals \$16.2 million, a \$1.2 million increase from the previous year.

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Interdepartmental charges are generated through engineering services charged to capital projects, reimbursed work from other funds and miscellaneous interdepartmental expenses charged to funds outside the General Fund for services performed by departments within the General Fund. In previous fiscal years, the city charged miscellaneous interdepartmental expenses based on guidelines used for federal grant reimbursement, which did not allocate the expenses for all services performed by the General Fund. In FY 2011-12, the city changed the method for calculating the costs of services provided by the General Fund to other funds. This new method will more accurately allocate all costs, including those associated with legislative services provided by the City Council, City Manager, City Clerk, City Treasurer, and Records Management.

Transfer taxes are those taxes paid to the county upon the transfer of interests in real estate. The tax is 55 cents per \$500 of property value, and is split equally between the county and the city. Carlsbad expects to receive approximately \$1.1 million in transfer taxes for FY 2011-12, which is a \$271,000 increase over FY 2010-11. This is mainly due to the increase in the sale of new homes as well as an increase in distressed home sales. Income from investments and property includes interest earnings, as well as rental income from city-owned land and facilities. The city is expected to earn about \$1.6 million in interest on its General Fund investments for Fiscal Year 2011-12 (a projected 2.1 percent yield on the city's investment portfolio).

General Fund Revenues



Overall, as reflected in the bar chart, General Fund revenues are expected to be up 2.1 percent from FY 2010-11 estimates due to the increase in sales and transient occupancy taxes and an increase in interdepartmental charges resulting from the change in the cost allocation methodology. Although

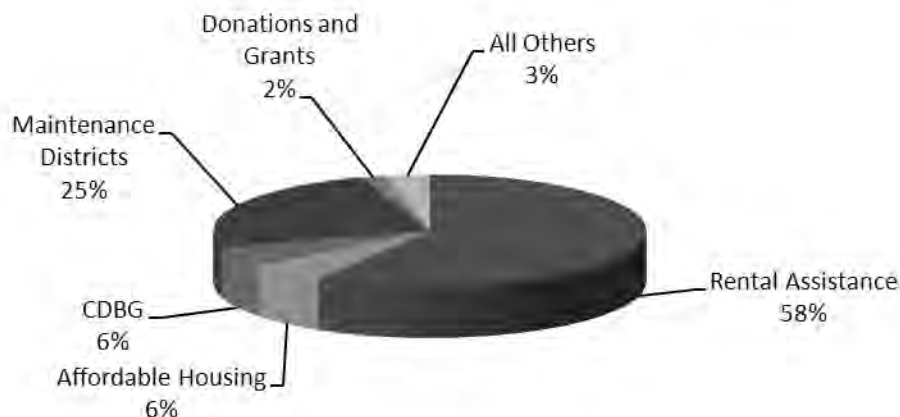
the city experienced revenue growth between 9 and 17 percent in the late 1990's, it was not sustainable growth. Much of those increases were due to the opening of new hotels, restaurants, retail centers, and new home development. As new development slows, it will be increasingly more difficult to produce double-digit growth in revenues. Due to the slow pace of the current economic recovery, limited growth of is anticipated in the next fiscal year and beyond.

Other Funds

Revenues from **Special Revenue** funds are expected to total \$11.3 million in FY 2011-12, a \$3.6 million decrease from FY 2010-11. The types of programs supported within Special Revenue funds are those funded by specific revenue streams such as:

- Grants (Rental Assistance-Section 8 and Community Development Block Grants)
- Special fees and assessments (Affordable Housing and Maintenance Assessment Districts)
- Donations (Library, Cultural Arts, Recreation and Senior Donations)

SPECIAL REVENUE FUNDS 2011-12 PROJECTED REVENUES



The most noteworthy changes in the Special Revenue funds occurred in the Street Lighting and the Community Development Block Grant (CDBG) funds. Estimated revenues decreased approximately \$1.5 million and \$1.8 million, respectively, from FY 2010-11. During FY 2010-11, the city received approximately \$1.5 million in American Recovery and Reinvestment Act (ARRA) funds from the California Energy Commission (low interest loan). The city does not anticipate drawing down any additional loan funds in FY 2011-12. These revenues are one-time monies which are being used towards the City's street light retrofit project. The street light retrofit project will replace the city's high-pressure sodium vapor lights with induction lights. During FY 2010-11, the Villa Loma low income housing project paid ground lease payments that were in arrears going back to 1999, in full, to the CDBG Fund. This was a one-time event that will not recur in FY 2011-12.

Enterprise fund revenues for FY 2011-12 are projected at \$52.8 million, an increase of \$2.4 million, or 4.7 percent, over current year projections. The increase in revenues is primarily due to the proposed rate increases for Water and Wastewater funds. Enterprise funds are similar to a business, in that rates are charged to support the operations that supply the service. Carlsbad Enterprise funds include water and recycled water delivery, wastewater services, and solid waste management.

The Water Enterprise Fund revenue is estimated at \$38.2 million, an increase of \$1.4 million, or 3.7 percent over the current year estimate. These revenues reflect \$4.5 million in increased sales revenue due to proposed rate increases, combined with a decrease in other revenues. In FY 2010-11, the District received a one-time settlement in the amount of \$3.2 million related to the Marbella lawsuit, causing an anomalous increase in other revenues. The proposed rate increases have not yet been approved by the Board of Directors of the Carlsbad Municipal Water District, and staff will be requesting that a Public Hearing be scheduled at a future date in order to consider the proposed rate increases. Anticipated increases paid to the San Diego County Water Authority include a 9 percent increase to the wholesale purchase cost of water (from \$887 to \$967 per acre foot, effective January 1, 2012), and an 18.7 percent increase in the fixed charges for water purchases (from \$4.3 million to \$5.1 million) for FY 2011-12. In addition to paying for the wholesale and fixed water costs, the FY 2011-12 Operating Budget

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includes funding for replacement of Carlsbad's water infrastructure, ongoing meter replacements, and building a sufficient operating reserve.

Estimated revenues for Wastewater are \$11.2 million, \$913,600 over the current year estimate. The revenue increase reflects proposed rate increases to fund the ongoing cost of operations, maintenance, and funding for replacement of infrastructure, as well as providing a sufficient operating reserve. The rate increases have not yet been approved by the City Council, and staff will be requesting that a Public Hearing be set at a future date to consider proposed rate increases.

Internal Service funds show estimated revenues of \$16 million for FY 2011-12, an increase of about \$150,000, or 1 percent, from FY 2010-11 projections. Internal Service funds provide services within the City itself, and include programs such as the self-insurance funds for Workers' Compensation and General Liability (Risk Management), as well as Vehicle Maintenance and Replacement, and Information Technology. Departments pay for services provided by these funds; therefore, the rates charged for the services are based on the cost to provide the service. The goal of the Internal Service funds is to match their budgeted expenses with charges to the departments, after allowing for a certain level of reserves within the fund.

The more significant changes occurred in Workers Compensation, Vehicle Replacement, and Information Technology. In Workers Compensation, increased claims resulted in a higher rate charged out to departments. For the Vehicle Replacement Fund, the decrease reflects extending the useful lives and the replacement schedule for various vehicles. For Information Technology, increased costs of technology equipment result in higher charges to departments. More discussion on the costs can be found in the Expenditures section of this report.

Redevelopment revenues are expected to total \$3.5 million in the upcoming year, a decrease of 7.9 percent, or \$300,000, from the projections from the previous year. This decrease is the result of the repayment of the Villa Loma low and moderate income housing loan of \$437,000 in FY 2010-11 that was made in a prior year. This was a one-time event that will not occur in FY 2011-12.

The City has a **General Fund reserve policy** that sets a minimum reserve of 30 percent of the General Fund Operating Expenditures. In addition, the policy sets a target reserve of 40 percent to 50 percent of General Fund Operating Expenditures. The minimum reserve would provide approximately three to four months of operating expenditures for unforeseen emergencies. At the end of FY 2009-10, the undesignated and unreserved General Fund balance was approximately \$51.4 million. At the end of FY 2010-11 the reserve is projected to be approximately \$53.2 million, or 47 percent, of the FY 2010-11 Budget. The reserve amount is consistent with Council Policy 74: General Fund Reserve Guidelines.

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EXPENDITURES



The city's Operating Budget for FY 2011-12 totals \$193.8 million, which represents an increase of about \$5.5 million, or 2.9 percent, as compared to the adopted FY 2010-11 Budget. The changes in each of the city's programs will be discussed below.

Budgetary Policies

The theme behind this year's budget development was to provide a balanced budget for the coming fiscal year and set the city on a path to long-term financial health, ensuring that forecast costs can be covered by tepid revenue growth. All known and ongoing operating expenses were incorporated in the FY 2011-12 operating budget, as well as in long-term financial forecast. For FY 2011-12, operating subsidies for the municipal golf course were budgeted as ongoing operating expenses and will no longer be accounted for as advances from the General Fund. This ongoing subsidy results in an additional \$1.8 million in expenditures for the General Fund Operating Budget in FY 2011-12.

Responsible management of the city's resources includes maintaining a focus on a sustainable future by ensuring the city remains in good financial health. Today's decisions will impact future spending levels and, although economic conditions appear to be improving, the following policies for FY 2011-12 were established in line with conservative revenue growth estimates:

- Continue to minimize service level impacts to our residents.
- No new positions and no growth in maintenance and operations.
- No new programs unless required under a legal mandate.
- Significant known personnel increases should be included in departmental budget projections.
- Personnel and operating reductions should be identified in order to offset known budget increases.
- Exercise prudence in budgeting. Consider cost containment measures and budget discretionary items at minimum levels.

The city uses an "Expenditure Control Budget" (ECB) process in budgeting, where each department is given a block appropriation containing sufficient funds to provide the current level of services for the upcoming year. Typically, each year the block is increased by an index for growth and inflation. However, as a result of the economic recession, in both FY 2008-09 and FY 2009-10 block budgets were decreased in response to decreasing revenues. For FY 2010-11 the city realigned its organizational structure allowing for increased efficiencies with fewer resources. Block growth remained flat, with overall operations costs remaining at FY 2009-10 levels. For FY 2011-12, in order to meet rising General Fund expenses, some vacant positions were eliminated, related service delivery was restructured, and departments were once again asked to identify operational reductions to absorb necessary increases in their block budgets. No additional appropriations are expected during the fiscal year, except in the case of a significant unanticipated event. As in past years, amounts that are unspent at the end of the fiscal year will be carried forward to the next year. At the end of FY 2010-11, the amounts carried forward by each department will be capped at no more than 10 percent of the previous year's Adopted Budget.

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Budgeted Expenditures

Through the application of these guidelines and policies, the FY 2011-12 Operating Budget of \$193.8 million was developed.

Position Changes

A decrease of 14.75 full-time positions is reflected in the FY 2011-12 Operating Budget, as compared to the FY 2010-11 Adopted Budget. The total decrease includes the elimination of 10.75 positions identified through the city's expenditure reduction efforts as well as the elimination of four positions that had previously been unfunded.

The FY 2011-12 Operating Budget includes the elimination of the following 14.75 full-time positions:

1.0 Assistant Planner	1.0 Management Analyst
1.0 Associate Engineer	1.0 Parks Maintenance Worker
2.0 Custodians	0.75 Records Manager
1.0 Deputy City Engineer	1.0 Senior Building Inspector
1.0 Fire Marshal	1.0 Senior Office Specialist
1.0 Graphic Artist	1.0 Utility Worker
2.0 Maintenance Aides	

In addition to the eliminated positions mentioned above, three other positions in the city are projected to remain unfunded for FY 2011-12. The unfunded positions provide an opportunity for departments to realize salary savings while still maintaining a count for the vacant position, which could be budgeted again in a future year once the economy improves.

The net increase in hourly staff totaled 0.8 FTE. This increase is due to a 0.3 FTE increase in the Utilities Department for part-time Utility Workers and a 0.5 FTE increase in the Records Department for a part-time Office Assistant. These increases are to provide partial replacements for two of the full-time positions shown as eliminated above.

These changes result in a city workforce of 684.25 full and three-quarter time employees, and 139.74 hourly, full-time equivalent positions. As mentioned above, three of the full-time positions are not funded in the FY 2011-12 Budget.

New Facilities

The city has a number of major capital projects scheduled to be built over the next five years. As the city completes these projects, the costs of maintaining and operating the facilities, including additional personnel if necessary, are added to departmental operating budgets. The Carrillo Ranch Barn Restoration project is scheduled for completion in the Spring of 2011. Additional funds for maintaining this facility will be incorporated in the FY 2011-12 budget for the Property and Environmental Management Department. Additional funds have also been added to the Parks and Recreation budget for landscape maintenance of the new Madison Street expansion of Pine Avenue Park.

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Budget by Fund Type

The table below shows the changes in the Operating Budget for FY 2011-12, as compared to the Adopted Budget for FY 2010-11.

BUDGET EXPENDITURE SUMMARY				
BY FUND TYPE				
(In Millions)				
FUND	BUDGET 2010-11	BUDGET 2011-12	\$ CHANGE	% CHANGE
GENERAL FUND	\$ 109.4	\$ 111.8	\$ 2.4	2.2%
SPECIAL REVENUE	10.9	11.4	0.5	4.6%
ENTERPRISE	51.6	53.5	1.9	3.7%
INTERNAL SERVICE	14.3	15.3	1.0	7.0%
REDEVELOPMENT	2.1	1.8	(0.3)	-14.3%
TOTAL	\$ 188.3	\$ 193.8	\$ 5.5	2.9%

The General Fund contains most of the discretionary revenues that support basic core city services. However, this should not diminish the importance of the other operating funds, as they also contribute to the array of services available within Carlsbad. The remainder of this section will provide more information about budgeted expenditures by fund and program.

GENERAL FUND SUMMARY				
BY EXPENDITURE TYPE				
(In Millions)				
	BUDGET 2010-11	BUDGET 2011-12	\$ CHANGE	% CHANGE
PERSONNEL	\$ 72.5	\$ 72.8	\$ 0.3	0.4%
M & O	29.3	29.4	0.1	0.3%
CAPITAL OUTLAY	-	0.1	0.1	0.0%
TRANSFERS	7.6	9.5	1.9	25.0%
TOTAL	\$ 109.4	\$ 111.8	\$ 2.4	2.2%

General Fund

The total budget for the General Fund for FY 2011-12 is \$111.8 million, which is 2.2 percent greater than the previous year's adopted budget of \$109.4 million. The total increase is mainly attributable to a \$0.3 million, or 0.4 percent, net increase in personnel costs and a \$1.9 million, or 25 percent, overall increase in transfers out of the General Fund to other city funds, as can be seen in the table above. These changes are discussed in more detail below.

Personnel costs make up approximately 65 percent of the General Fund budget so any changes in these costs can have a significant effect on the total budget. The total personnel budget for FY 2011-12 is \$72.8 million, which is \$0.3 million, or 0.4 percent, more than the previous year's total personnel budget of \$72.5 million. The overall increase was due to several factors, as discussed on the following page.

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GENERAL FUND PERSONNEL COSTS (In Millions)				
	BUDGET 2010-11	BUDGET 2011-12	\$ CHANGE	% CHANGE
SALARIES	\$ 50.8	\$ 50.3	\$ (0.5)	-1.0%
HEALTH INSURANCE	6.1	6.5	0.4	6.6%
RETIREMENT	13.3	13.6	0.3	2.3%
WORKERS COMP	1.2	1.3	0.1	8.3%
OTHER PERSONNEL	1.1	1.1	0.0	0.0%
TOTAL	\$ 72.5	\$ 72.8	\$ 0.3	0.4%

The table above shows the breakdown of personnel costs for the General Fund. Overall, total personnel costs are projected to increase by \$0.3 million, or 0.4 percent, for FY 2011-12 as compared to FY 2010-11. Salaries include full and part-time staff costs and are expected to decrease in FY 2011-12. As part of the city's efforts to reduce costs in FY 2011-12, the elimination of 14.75 full-time positions resulted in approximately \$1.0 million in total personnel savings, with about \$700,000 of that in reduced salary costs. The salary savings are somewhat offset by increases in salaries scheduled to occur in FY 2011-12 due to previously negotiated labor contracts, netting to an overall decrease of \$0.5 million, or one percent, in total salary costs.

Retirement rates, as projected by CalPERS, will increase in FY 2011-12 by about 1.25 percent of salary for General and Management employees, representing a 5.9 percent increase, and by about 4 percent of salary for Safety employees, representing a 14.5 percent increase. Rate increases are partially offset by decreases in the city's share of retirement costs as a result of prior year public safety employee contract negotiations and by the elimination of positions, as mentioned above, resulting in an overall increase of \$0.3 million, or 2.3 percent, in total retirement costs.

Health insurance rates are projected to increase by about 5 percent, while Worker's Compensation rates are projected to increase by about 10 percent due to increases in claims. These increased costs are partially offset by decreases due to a reduction in the overall number of city personnel. Miscellaneous other personnel costs are projected to remain flat for FY 2011-12, with small increases offset by the overall personnel decreases previously mentioned.

Contract negotiations for the city's General employees were underway, but not yet complete, at the time the Budget was adopted by the City Council. No actions resulting from those negotiations have been assumed in the Fiscal Year 2011-12 Adopted Budget.

Maintenance & Operations costs (or M&O) represent about 26 percent of the total General Fund budget, and include the budgets for all program expenses other than personnel, capital outlay and transfers. For FY 2011-12, potential large increases in overall M&O costs were offset by departmental cost reduction efforts, resulting in overall maintenance and operations costs remaining relatively flat for FY 2011-12, as compared to FY 2010-11. Maintenance and Operations costs are discussed more fully by program later in the report.

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Capital Outlay includes budgeted equipment purchases over \$1,000. One major capital outlay purchase is planned in the General Fund for FY 2011-12, namely \$110,000 for the replacement of three portable EKG monitors for the Fire Department's emergency medical services team.

Transfers are amounts anticipated to be transferred from the General Fund to another city fund. The transfers included in this year's proposed budget are to the following funds:

- \$7.4 million to the Infrastructure Replacement Fund for major maintenance and replacement of city infrastructure. This represents 6.5 percent of the General Fund Revenues, the same as the percentage transfer for FY 2010-11.
- \$215,000 to the Storm Water Program for reimbursement for the General Fund portion of Storm Water expenses.
- \$473,000 to the Median Maintenance and Street Tree Maintenance Special Revenue Funds to cover cash shortfalls, as annual assessments collected from property owners do not cover operating expenditures.
- \$1.4 million to the city's municipal golf course for debt service and operations. The Golf Course's budget and financials are on a calendar year basis. The Carlsbad Public Financing Authority approved the calendar year 2011 Golf Course Budget, including this funding from the General Fund.

Advances are amounts anticipated to be transferred from the General Fund to another city fund and are expected to be repaid to the General Fund in future years. The advances included in this year's proposed budget are to the following funds:

- \$85,000 to the South Carlsbad Coastal Redevelopment Area (SCCRA) – The SCCRA is not projecting to generate tax increment for FY 2011-12. However, there are activities that need to be performed to help generate tax increment producing projects within the area, such as the Ponto Development and the proposed new desalination project. Once more development occurs in this area, it is anticipated that the SCCRA will be able to repay the General Fund advances.

The General Fund has advanced money to several funds over the years. There are no anticipated advance repayments to the General Fund included in the FY 2011-12 General Fund budget.

Another way of looking at the General Fund budget is by program. The chart on the following page compares the total FY 2011-12 General Fund Operating Budget to the amounts adopted in the previous year. A brief description of each department and its services, as well as a summary of significant department budget changes in the FY 2011-12 Preliminary Operating Budget, are noted below the chart.

2011-12 OPERATING BUDGET OVERVIEW

GENERAL FUND EXPENDITURES BY DEPARTMENT (In Millions)				
FUND	BUDGET 2010-11	BUDGET 2011-12	\$ CHANGE	% CHANGE
POLICY/LEADERSHIP	\$ 5.3	\$ 4.9	\$ (0.4)	-7.6%
COMMUNITY & ECONOMIC DEV	7.4	7.2	(0.2)	-2.7%
FINANCE	3.3	3.4	0.1	3.0%
FIRE	16.2	16.9	0.7	4.3%
HOUSING & NGHBRHD SRVCS	0.4	0.5	0.1	25.0%
HUMAN RESOURCES	2.4	2.3	(0.1)	-4.2%
LIBRARY & ARTS	10.4	10.4	0.0	0.0%
PARKS AND RECREATION	12.4	13.0	0.6	4.8%
POLICE	28.2	28.2	0.0	0.0%
PROPERTY & ENVIRO MGT	4.8	4.7	(0.1)	-2.1%
STORM DRAIN ENGINEERING	0.3	0.3	0.0	0.0%
TRANSPORTATION	9.1	8.9	(0.2)	-2.2%
NON-DEPARTMENTAL	9.2	11.1	1.9	20.7%
TOTAL	\$ 109.4	\$ 111.8	\$ 2.4	2.2%

- The **Policy & Leadership Group** consists of all elected officials, the City Manager's Office, the City Attorney's Office, and Communications and Records Management functions. The \$400,000, or 7.6 percent, decrease for FY 2011-12 is primarily due to the elimination of one position in the City Manager's Office and 1.75 positions in the Records Department, as well as a reduction in election expenses in the City Clerk's Office as compared to the prior year.
- The **Community and Economic Development Department** includes economic development, planning, development services, building inspection, and land use engineering. The decrease of about \$200,000, or 2.7 percent, is mainly due to the transfer of Code Enforcement duties, including two positions, to the Housing and Neighborhood Services Department. Department personnel cost increases in health and pension benefits were offset by the elimination of two positions.
- The **Finance Department** provides the accounting, financial reporting, collections, fiscal oversight, capital and operating budgeting, and long-term financial planning for the city. The increase of about \$100,000, or three percent, is due to personnel cost increases, as well as an increase in ambulance billing and credit card fees.
- The Carlsbad **Fire Department** is one of the cornerstones of the city's public safety efforts. Services include emergency operations, emergency preparedness, and fire prevention. The \$600,000, or 3.7 percent, increase for FY 2011-12 is primarily due to contractual increases in personnel costs, increases in the city's public safety pension rates, and increases in the city's health insurance rates. Other increases include an increase in Internal Service Fund charges due to continued rising costs of replacing fleet equipment for Fire Safety and an increase of \$110,000 for a capital outlay purchase to replace three portable EKG machines for emergency services. The elimination of one position in the department offset some of the increases mentioned.

2011-12 OPERATING BUDGET OVERVIEW

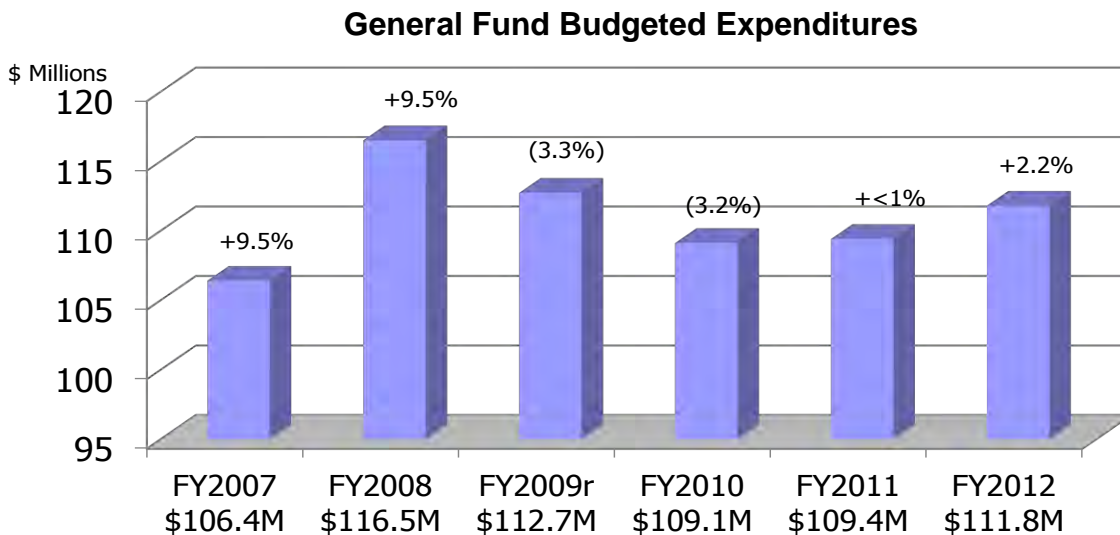
- The **Housing and Neighborhood Services Department** includes the city's neighborhood services, hiring center and volunteer programs. Code enforcement duties were also added in the FY 2011-12 budget. The net increase of approximately \$100,000, or 25 percent, is primarily due to the transfer of Code Enforcement, including two positions, from the Community and Economic Development Department; this increase is partially offset by savings from unfunding one of these positions.
- The **Human Resources Department** supports the city with staffing and recruitment, employee development, performance management, and compensation and labor relations services. The department's budget will decrease by about \$100,000, or 4.2 percent, from FY 2010-11 to FY 2011-12, mainly from reducing costs related to an Organizational Development consultant. Budgets for tuition reimbursement and training were also reduced.
- The **Library and Arts Department** provides staffing and a wide variety of programming for two library branches, a library learning center, and a cultural arts office. The department's budget is projected to remain flat from FY 2010-11 to FY 2011-12. Projected personnel and Internal Service Fund charge increases are mostly offset by the elimination of one position and a reduction in the department's budget for purchasing new materials.
- The **Parks and Recreation Department** plans, staffs and maintains the city's parks and recreational facilities, provides an assortment of recreational programs for all ages, maintains landscaping at facilities throughout the city, and manages the city's open space areas. The department's budget increased by \$600,000, or 4.8 percent, from the prior year, mainly as a result of adding \$335,000 for Habitat Maintenance costs related to the city's municipal golf course and the assumption of landscaping and maintenance services at some city facilities previously budgeted in the Property and Environmental Management Department. Various personnel increases in the department are offset by eliminating one position, a reduction in tree maintenance programs, and savings in ball field lighting.
- The Carlsbad **Police Department** provides high quality public safety services to the community to ensure the preservation of life and property and the maintenance of law and order in the City of Carlsbad. Overall, the Preliminary Operating Budget shows the department's costs remaining flat for FY 2011-12 as compared to FY 2010-11, as projected budget increases were offset by reductions realized through lower pension costs for some staff and savings in both Fleet and Information Technology maintenance and replacement costs. Contracted personnel increases include the impact of a two percent salary increase that was effective January 1, 2011, an increase in the city's public safety pension rates, and an increase in the city's health insurance rates. Additional budget of \$250,000 was provided for Police Booking Fees, expected to be charged by San Diego County due to funding decreases.
- The **Property and Environmental Management Department** manages all city-owned property, including real estate, buildings and vehicles. The department also manages the city's environmental programs, which include storm water, habitat and other environmental maintenance and monitoring programs. The approximately \$100,000, or 2.1 percent, decrease from the prior year's budget is primarily due to the transfer of landscaping and maintenance services to Parks and Recreation, as mentioned above.

2011-12 OPERATING BUDGET OVERVIEW

This reduction is somewhat offset by departmental personnel increases. The department is also eliminating two Custodian positions that were unfunded in a previous year.

- The Utilities Department in the General Fund consists of **Storm Drain Engineering** activities. No significant change is expected from FY 2011-12 as compared to the FY 2010-11 budget appropriation.
- The **Transportation Department** manages all streets, traffic and other city-wide transportation services. The department shows an overall decrease of about \$200,000, or 2.2 percent, for FY 2011-12 as compared to the FY 2010-11 budget. The decrease is largely the result of eliminating four positions, including two that were previously unfunded.
- **Non-departmental** expenses include the transfers previously discussed, as well as administrative and other expenses not associated with any one department. The increase of \$1.9 million, or 20.7 percent, is mainly attributed to a \$1.8 million increase in transfers from the General Fund to other city funds, primarily for operational and debt service funding for the city's municipal golf course.

The **Council Contingency** account is available to the City Council for unanticipated emergencies or unforeseen program needs during the year. It is budgeted at \$500,000 for FY 2011-12, which is equal to the budget for this item in FY 2010-11. The budgeted amount represents less than one percent of the FY 2011-12 General Fund Budget.



A history of General Fund budgeted expenditures is reflected in the chart above. The city began to slow its expenditure growth after FY 2007-08, due to the economic slowdown and subsequent recession. The chart shows that the FY 2008-09 budget, as revised by a mid-year reduction made in January 2009, was 3.3 percent less than the adopted budget for the prior year. A further 3.2 percent budget reduction was made in FY 2009-10 in order to reduce expenditures in line with declines in General Fund revenues. For FY 2010-11 budgeted expenditures remained relatively flat in anticipation of a flat economy. General Fund expenditures are expected to increase by \$2.4 million, or 2.2 percent, in FY 2011-12, supported by projected revenue increases.

2011-12 OPERATING BUDGET OVERVIEW

Changes in Other Funds

Special Revenue funds, at \$11.4 million, are up \$500,000, or 4.6 percent, from the prior year. This is mainly due to spending increases in the city's Police Asset Forfeiture, Street Lighting, and Buena Vista Channel Maintenance Funds.

Enterprise funds total \$53.5 million, which is an increase of \$1.9 million, or 3.8 percent, over the FY 2010-11 Adopted Budget. The most significant change in Water Operations is due to the increase in the cost of water purchased from the San Diego County Water Authority (18.7 percent increase in fixed costs and a 9 percent increase in variable costs due to a proposed increase from \$887 to \$967 per acre foot effective January 1, 2012). In addition, the cost of purchasing recycled water is anticipated to increase up to 30 percent when compared to the Adopted Budget for FY 2010-11. Carlsbad customers continue to conserve water, and therefore the quantities purchased are expected to decrease in comparison to the adopted FY 2010-11 budget. The Operating Budget also includes additional funding for depreciation replacement transfers related to growth in the water infrastructure system.

Wastewater operations are projected to increase 5.2 percent, or \$550,000, over the Adopted Budget for FY 2010-11. The operating budget includes additional funding for depreciation replacement transfers related to growth in the wastewater infrastructure system.

The **Internal Service** funds total \$15.3 million, an increase of \$1.0 million, or 7.5 percent, from the prior year. The Internal Service funds are self-supporting through user charges. Changes occurred in a number of these funds, including the following:

- The **Workers Compensation Fund** budget shows an increase of approximately \$150,000, or 8.4 percent, based on higher claims in the fund.
- The **Self Insured Benefits** budget shows an increase of approximately \$150,000 based on projected increases in health related expenses paid from the fund.
- The **Vehicle Replacement** Fund budget varies from year to year depending on the vehicles to be replaced. The budget for the fund is about \$400,000 more than the previous year, or a 31 percent increase, due to more vehicles being due for replacement than in the previous year. A list of the requested replacement vehicles can be found at the end of this document.
- The **Information Technology** Fund shows an increase in the department's budget of approximately \$400,000, or 6.8 percent, from FY 2010-11 to FY 2011-12. This is mostly due to more technology equipment being due for replacement than in the prior year.

The **Redevelopment Agency** budgets have decreased about \$400,000, or 17.7 percent, from the previous year, mainly due to a reduction in the previously required SERAF payment for the Village Redevelopment area.

2011-12 OPERATING BUDGET OVERVIEW

SUMMARY

The Operating Budget for FY 2011-12 provides a balanced budget for the coming fiscal year while maintaining a long-term plan to sustain a balanced budget in future years, given continued economic uncertainty. The city's budget continues to emphasize the maintenance and operations of current city infrastructure as well as maintaining core city services at their current levels. Significant ongoing operating expenses were identified and incorporated in the FY 2011-12 where necessary, to ensure the budget reflects the ongoing financial obligations of the city. Being conscious of continued economic uncertainty, no new programs or expanded levels of service are included in the budget.

The Carlsbad economy is starting to improve, with new business investment in the city and recent gains in city sales tax revenues. However, revenues and expenditures will continue to need close monitoring, as sluggish housing sales and high unemployment rates persist. In addition, concerns continue over the impact that budget decisions at the state level could have on the city's financial situation. The ten-year financial forecast is a useful tool to help manage our way through this continued economic uncertainty.

The City of Carlsbad is in a good economic position but is not immune to the impacts of a fluctuating economy. Careful planning and responsible management have allowed the city to maintain an excellent quality of life for its residents and has provided a sound economic base for the future. Fiscal conservatism, which has consistently been the city's overall approach to managing its finances, is even more important during these economically uncertain times. The city is in an excellent position to take advantage of new economic opportunities due to careful planning and maintaining a sound financial footing.

2011-12 OPERATING BUDGET OVERVIEW

SUMMARY

The Operating Budget for FY 2011-12 provides a balanced budget for the coming fiscal year while maintaining a long-term plan to sustain a balanced budget in future years, given continued economic uncertainty. The city's budget continues to emphasize the maintenance and operations of current city infrastructure as well as maintaining core city services at their current levels. Significant ongoing operating expenses were identified and incorporated in the FY 2011-12 where necessary, to ensure the budget reflects the ongoing financial obligations of the city. Being conscious of continued economic uncertainty, no new programs or expanded levels of service are included in the budget.

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**CITY OF CARLSBAD
OPERATING FUNDS
PROJECTED FUND BALANCES**

FUND	UNRESERVED	PROJECTED REVENUES	PROJECTED EXPENDITURES	ADVANCES	OTHER CHANGES	PROJECTED
	BALANCE JULY 1, 2010			& FUND TRANSFERS		BALANCE JUNE 30, 2011
GENERAL FUND	\$51,416,340 *	\$111,348,000	\$106,703,055			\$56,061,285 *
REPAYMENT FROM SOLID WASTE				680,219		680,219
ADVANCE TO SCCRA				(285,000)		(285,000)
ADVANCE TO GOLF COURSE FUND				(1,640,000)		(1,640,000)
ADVANCE TO HABITAT MITIGATION FEE FUND				(230,755)		(230,755)
CHANGE IN RESERVATIONS & DESIGNATIONS					(1,393,173)	(1,393,173)
TOTAL GENERAL FUND	<u>51,416,340</u>	<u>111,348,000</u>	<u>106,703,055</u>			<u>53,192,576</u>
SPECIAL REVENUE						
AFFORDABLE HOUSING	13,895,198	657,100	504,913			14,047,385
BUENA VISTA CHANNEL MAINTENANCE	1,289,237	123,800	129,573			1,283,464
CITIZEN'S OPTION FOR PUBLIC SAFETY	(16,056)	112,925	96,869			0
COMMUNITY ACTIVITY GRANTS	1,052,132	20,000	0			1,072,132
COMMUNITY DEVELOPMENT BLOCK GRANT	1,116	2,440,000	622,567			1,818,549
CULTURAL ARTS DONATIONS	190,476	47,000	94,806			142,670
LIBRARY AND ARTS ENDOWMENT FUND	263,690	5,000	6,605			262,085
LIBRARY GIFTS/BEQUESTS	48,213	196,800	130,806			114,207
LIGHTING AND LANDSCAPING DISTRICT NO. 2	967,077	452,730	199,353			1,220,454
LOCAL CABLE INFRASTRUCTURE FUND	411,534	357,500	294,458			474,576
MEDIAN MAINTENANCE	303,356	614,858	906,074			12,140
POLICE ASSET FORFEITURE	763,972	54,000	19,756			798,216
POLICE GRANTS	140,686	200,000	340,686			0
PUBLIC ART	185,490	3,300	28,445			160,345
RECREATION DONATIONS	182,877	58,700	33,157			208,420
RENTAL ASSISTANCE - SECTION 8	1,296,366	6,652,400	6,346,335			1,602,431
SENIOR DONATIONS	195,313	29,900	31,000			194,213
STREET LIGHTING	1,367,733	2,453,773	3,132,266			689,240
STREET TREE MAINTENANCE	303,559	469,677	694,860			78,376
TOTAL SPECIAL REVENUE	<u>22,841,969</u>	<u>14,949,463</u>	<u>13,612,529</u>			<u>24,178,903</u>
ENTERPRISE						
WATER OPERATIONS	(5,193,120)	30,964,800	29,335,177			(3,563,497)
RECYCLED WATER OPERATIONS	5,884,064	5,835,850	7,110,264			4,609,650
WASTEWATER OPERATIONS	(1,373,418)	10,239,000	9,648,270			(782,688)
SOLID WASTE MANAGEMENT	9,404,757	3,407,310	2,779,456	(680,219)		9,352,392
TOTAL ENTERPRISE	<u>8,722,283</u>	<u>50,446,960</u>	<u>48,873,167</u>			<u>9,615,857</u>
INTERNAL SERVICE						
WORKERS' COMPENSATION	2,419,910	1,443,903	2,868,608			995,205
RISK MANAGEMENT	685,100	1,630,632	2,087,080			228,652
SELF-INSURED BENEFITS	1,250,809	915,003	990,328			1,175,484
VEHICLE MAINTENANCE	580,759	2,848,029	2,713,374			715,414
VEHICLE REPLACEMENT	12,553,655	2,431,718	1,631,750			13,353,623
INFORMATION TECHNOLOGY	4,051,712	6,593,146	6,661,743			3,983,115
TOTAL INTERNAL SERVICE	<u>21,541,945</u>	<u>15,862,431</u>	<u>16,952,883</u>			<u>20,451,493</u>
REDEVELOPMENT						
VILLAGE OPERATIONS / DEBT SERVICE	1,829,425	2,767,000	3,908,282			688,143
VILLAGE LOW/MOD INCOME HOUSING	5,685,553	941,250	80,585			6,546,218
SCCRA OPERATIONS / DEBT SERVICE	147,170	57,000	400,990	285,000		88,180
SCCRA LOW/MOD INCOME HOUSING	309,911	0	43,185			266,726
TOTAL REDEVELOPMENT	<u>7,972,059</u>	<u>3,765,250</u>	<u>4,433,042</u>			<u>7,589,267</u>
TOTAL OPERATING FUNDS	<u>\$112,494,596</u>	<u>\$196,372,104</u>	<u>\$190,574,676</u>	<u>(\$1,870,755)</u>	<u>(\$1,393,173)</u>	<u>\$115,028,096</u>

* FOR THE GENERAL FUND ONLY THIS REPRESENTS UNDESIGNATED, UNRESERVED FUND BALANCE.

**CITY OF CARLSBAD
OPERATING FUNDS
PROJECTED FUND BALANCES**

FUND	PROJECTED BALANCE JULY 1, 2011	ESTIMATED REVENUES	ADOPTED BUDGET	ADVANCES & FUND TRANSFERS	OTHER CHANGES	PROJECTED BALANCE JUNE 30, 2012
GENERAL FUND	\$53,192,576 *	\$113,569,453	\$111,760,397			\$55,001,632 *
REPAYMENT FROM SOLID WASTE						0
ADVANCE TO SCCRDA				(85,000)		(85,000)
ADVANCE TO GOLF COURSE FUND						0
ADVANCE TO HABITAT MITIGATION FEE FUND						0
CHANGE IN RESERVATIONS & DESIGNATIONS						0
TOTAL GENERAL FUND	<u>53,192,576</u>	<u>113,569,453</u>	<u>111,760,397</u>			<u>54,916,632</u>
SPECIAL REVENUE						
AFFORDABLE HOUSING	14,047,385	654,000	473,580			14,227,805
BUENA VISTA CHANNEL MAINTENANCE	1,283,464	125,710	293,511			1,115,663
CITIZEN'S OPTION FOR PUBLIC SAFETY	0	0	0			0
COMMUNITY ACTIVITY GRANTS	1,072,132	20,000	50,000			1,042,132
COMMUNITY DEVELOPMENT BLOCK GRANT	1,818,549	664,214	664,834			1,817,929
CULTURAL ARTS DONATIONS	142,670	14,000	76,960			79,710
LIBRARY AND ARTS ENDOWMENT FUND	262,085	4,000	4,000			262,085
LIBRARY GIFTS/BEQUESTS	114,207	59,000	59,000			114,207
LIGHTING AND LANDSCAPING DISTRICT NO. 2	1,220,454	432,544	216,847			1,436,151
LOCAL CABLE INFRASTRUCTURE FUND	474,576	361,000	366,962			468,614
MEDIAN MAINTENANCE	12,140	718,674	730,814			0
POLICE ASSET FORFEITURE	798,216	65,000	156,258			706,958
POLICE GRANTS	0	0	0			0
PUBLIC ART	160,345	0	0			160,345
RECREATION DONATIONS	208,420	32,450	44,408			196,462
RENTAL ASSISTANCE - SECTION 8	1,602,431	6,618,000	6,622,482			1,597,949
SENIOR DONATIONS	194,213	28,000	34,990			187,223
STREET LIGHTING	689,240	920,990	1,002,765			607,465
STREET TREE MAINTENANCE	78,376	580,319	643,892			14,803
TOTAL SPECIAL REVENUE	<u>24,178,903</u>	<u>11,297,901</u>	<u>11,441,303</u>			<u>24,035,501</u>
ENTERPRISE						
WATER OPERATIONS	(3,563,497)	31,660,268	31,554,624			(3,457,853)
RECYCLED WATER OPERATIONS	4,609,650	6,515,252	7,404,022			3,720,880
WASTEWATER OPERATIONS	(782,688)	11,152,614	11,058,124			(688,198)
SOLID WASTE MANAGEMENT	9,352,392	3,495,100	3,500,924			9,346,568
TOTAL ENTERPRISE	<u>9,615,857</u>	<u>52,823,234</u>	<u>53,517,694</u>			<u>8,921,397</u>
INTERNAL SERVICE						
WORKERS' COMPENSATION	995,205	1,573,841	1,996,557			572,489
RISK MANAGEMENT	228,652	1,629,110	1,381,044			476,718
SELF-INSURED BENEFITS	1,175,484	956,860	1,098,265			1,034,079
VEHICLE MAINTENANCE	715,414	2,917,809	2,845,518			787,705
VEHICLE REPLACEMENT	13,353,623	2,162,321	1,716,500			13,799,444
INFORMATION TECHNOLOGY	3,983,115	6,774,624	6,299,288			4,458,451
TOTAL INTERNAL SERVICE	<u>20,451,493</u>	<u>16,014,565</u>	<u>15,337,172</u>			<u>21,128,886</u>
REDEVELOPMENT						
VILLAGE OPERATIONS / DEBT SERVICE	688,143	2,726,800	1,441,954			1,972,989
VILLAGE LOW/MOD INCOME HOUSING	6,546,218	700,000	73,558			7,172,660
SCCRA OPERATIONS / DEBT SERVICE	88,180	30,000	190,459	85,000		12,721
SCCRA LOW/MOD INCOME HOUSING	266,726	6,000	54,016			218,710
TOTAL REDEVELOPMENT	<u>7,589,267</u>	<u>3,462,800</u>	<u>1,759,987</u>			<u>9,377,080</u>
TOTAL OPERATING FUNDS	<u>\$115,028,096</u>	<u>\$197,167,953</u>	<u>\$193,816,553</u>	<u>\$0</u>		<u>\$118,379,496</u>

* FOR THE GENERAL FUND ONLY THIS REPRESENTS UNDESIGNATED, UNRESERVED FUND BALANCE.

**CITY OF CARLSBAD
OPERATING FUNDS
REVENUE ESTIMATES**

REVENUE SOURCE	ACTUAL REVENUE 2009-10	PROJECTED REVENUE 2010-11	ESTIMATED REVENUE 2011-12	DIFFERENCE 2010-11 TO 2011-12	% CHANGE 2010-11 TO 2011-12
GENERAL FUND					
TAXES					
PROPERTY TAX	\$49,694,555	\$48,424,000	\$48,273,000	(\$151,000)	-0.3%
SALES TAX	22,819,426	26,342,000	27,063,000	721,000	2.7%
TRANSIENT TAX	11,490,488	11,365,000	11,968,000	603,000	5.3%
FRANCHISE TAX	4,906,139	4,696,000	4,632,000	(64,000)	-1.4%
BUSINESS LICENSE TAX	3,457,779	3,378,000	3,453,000	75,000	2.2%
TRANSFER TAX	757,632	804,000	1,075,000	271,000	33.7%
TOTAL TAXES	93,126,019	95,009,000	96,464,000	1,455,000	1.5%
INTERGOVERNMENTAL					
VEHICLE LICENSE FEES	308,984	317,000	322,000	5,000	1.6%
HOMEOWNERS EXEMPTION	376,145	381,000	383,000	2,000	0.5%
OTHER INTERGOVERNMENTAL	1,010,807	956,000	912,163	(43,837)	-4.6%
TOTAL INTERGOVERNMENTAL	1,695,936	1,654,000	1,617,163	(36,837)	-2.2%
LICENSES AND PERMITS					
BUILDING PERMITS	731,260	700,000	600,000	(100,000)	-14.3%
OTHER LICENSES & PERMITS	549,900	750,000	773,000	23,000	3.1%
TOTAL LICENSES & PERMITS	1,281,160	1,450,000	1,373,000	(77,000)	-5.3%
CHARGES FOR SERVICES					
PLANNING FEES	358,831	180,000	186,000	6,000	3.3%
BUILDING DEPT. FEES	537,681	610,000	560,000	(50,000)	-8.2%
ENGINEERING FEES	0	630,000	574,500	(55,500)	-8.8%
AMBULANCE FEES	2,318,371	2,387,000	2,439,000	52,000	2.2%
RECREATION FEES	1,704,791	1,650,000	1,648,000	(2,000)	-0.1%
OTHER CHARGES OR FEES	1,116,000	497,000	538,640	41,640	8.4%
TOTAL CHARGES FOR SERVICES	6,035,674	5,954,000	5,946,140	(7,860)	-0.1%
FINES AND FORFEITURES	1,054,086	977,000	1,021,600	44,600	4.6%
INCOME FROM INVESTMENTS AND PROPERTY*	3,544,468	2,532,000	2,578,100	46,100	1.8%
INTERDEPARTMENTAL CHARGES	2,710,558	2,786,000	3,592,600	806,600	29.0%
OTHER REVENUE SOURCES	6,310,229	986,000	976,850	(9,150)	-0.9%
TOTAL GENERAL FUND	\$115,758,130	\$111,348,000	\$113,569,453	\$2,221,453	2.0%

* INTEREST IS CALCULATED ON AN AMORTIZED COST BASIS

**CITY OF CARLSBAD
OPERATING FUNDS
REVENUE ESTIMATES**

REVENUE SOURCE	ACTUAL REVENUE 2009-10	PROJECTED REVENUE 2010-11	ESTIMATED REVENUE 2011-12	DIFFERENCE 2010-11 TO 2011-12	% CHANGE 2010-11 TO 2011-12
SPECIAL REVENUE FUNDS					
AFFORDABLE HOUSING					
AFFORDABLE HOUSING FEES	\$180,676	\$170,000	\$234,000	\$64,000	37.7%
FEDERAL GRANT	227,124	7,100	0	(7,100)	-100.0%
STATE GRANT	1,000	0	0	0	0.0%
INTEREST	359,024	260,000	260,000	0	0.0%
OTHER	323,161	220,000	160,000	(60,000)	-27.3%
TOTAL AFFORDABLE HOUSING	1,090,985	657,100	654,000	(3,100)	-0.5%
BUENA VISTA CHANNEL MAINTENANCE					
BUENA VISTA FEES	81,369	100,000	100,000	0	0.0%
INTEREST	33,441	23,800	25,710	1,910	8.0%
TOTAL BUENA VISTA CHANNEL MAINTENANCE	114,810	123,800	125,710	1,910	1.5%
CITIZEN'S OPTION FOR PUBLIC SAFETY					
STATE FUNDING (AB3229)	107,793	112,925	0	(112,925)	-100.0%
INTEREST	(3,664)	0	0	0	0.0%
TOTAL CITIZENS OPTION FOR PUBLIC SAFETY	104,129	112,925	0	(112,925)	-100.0%
COMMUNITY ACTIVITY GRANTS					
INTEREST	28,171	20,000	20,000	0	0.0%
TOTAL COMMUNITY ACTIVITY GRANTS	28,171	20,000	20,000	0	0.0%
COMMUNITY DEVELOPMENT BLOCK GRANT					
FEDERAL GRANT	294,813	406,000	664,214	258,214	63.6%
INTEREST	53,573	947,000	0	(947,000)	-100.0%
OTHER	54,910	1,087,000	0	(1,087,000)	-100.0%
TOTAL COMMUNITY DEVELOPMENT BLOCK GRANT	403,296	2,440,000	664,214	(1,775,786)	-72.8%
CULTURAL ARTS DONATIONS					
DONATIONS	36,823	42,000	14,000	(28,000)	-66.7%
INTEREST	4,509	3,000	0	(3,000)	-100.0%
OTHER	7,500	2,000	0	(2,000)	-100.0%
TOTAL CULTURAL ARTS DONATIONS	48,832	47,000	14,000	(33,000)	-70.2%
LIBRARY AND ARTS ENDOWMENT FUND					
INTEREST	6,870	5,000	4,000	(1,000)	-20.0%
TOTAL LIBRARY AND ARTS ENDOWMENT FUND	6,870	5,000	4,000	(1,000)	-20.0%
LIBRARY GIFTS/BEQUESTS					
GIFTS/BEQUESTS	119,321	195,000	59,000	(136,000)	-69.7%
INTEREST	2,494	1,800	0	(1,800)	-100.0%
TOTAL LIBRARY GIFTS/BEQUESTS	121,815	196,800	59,000	(137,800)	-70.0%
LIGHTING AND LANDSCAPING DISTRICT NO. #2					
LLD #2 FEES	440,336	433,230	412,576	(20,654)	-4.8%
INTEREST	23,393	19,500	19,968	468	2.4%
TOTAL LIGHTING AND LANDSCAPING DIST. NO. #2	463,729	452,730	432,544	(20,186)	-4.5%
LOCAL CABLE INFRASTRUCTURE FUND					
CABLE FEES	337,880	350,000	355,000	5,000	1.4%
INTEREST	10,556	7,500	6,000	(1,500)	-20.0%
TOTAL LOCAL CABLE INFRASTRUCTURE FUND	348,436	357,500	361,000	3,500	1.0%
MEDIAN MAINTENANCE					
MEDIAN MAINTENANCE FEES	355,134	361,008	359,174	(1,834)	-0.5%
INTEREST	192	0	0	0	0.0%
OTHER	0	253,850	359,500	105,650	41.6%
TOTAL MEDIAN MAINTENANCE	355,326	614,858	718,674	103,816	16.9%

**CITY OF CARLSBAD
OPERATING FUNDS
REVENUE ESTIMATES**

REVENUE SOURCE	ACTUAL REVENUE 2009-10	PROJECTED REVENUE 2010-11	ESTIMATED REVENUE 2011-12	DIFFERENCE 2010-11 TO 2011-12	% CHANGE 2010-11 TO 2011-12
SPECIAL REVENUE FUNDS - CONTINUED					
POLICE ASSET FORFEITURE					
ASSET FORFEITURES	144,732	40,000	50,000	10,000	25.0%
INTEREST	21,150	14,000	15,000	1,000	7.1%
TOTAL POLICE ASSET FORFEITURE	165,882	54,000	65,000	11,000	20.4%
POLICE GRANTS					
FEDERAL GRANT	174,311	200,000	0	(200,000)	-100.0%
INTEREST	2,476	0	0	0	0.0%
TOTAL POLICE GRANTS	176,787	200,000	0	(200,000)	-100.0%
PUBLIC ART					
INTEREST	4,853	3,300	0	(3,300)	-100.0%
TOTAL PUBLIC ART	4,853	3,300	0	(3,300)	-100.0%
RECREATION DONATIONS					
DONATIONS	38,470	55,000	32,450	(22,550)	-41.0%
INTEREST	4,984	3,700	0	(3,700)	-100.0%
TOTAL RECREATION DONATIONS	43,454	58,700	32,450	(26,250)	-44.7%
RENTAL ASSISTANCE					
FEDERAL GRANT	5,723,985	6,618,000	6,600,000	(18,000)	-0.3%
INTEREST	20,540	21,500	18,000	(3,500)	-16.3%
OTHER	15,313	12,900	-	(12,900)	-100.0%
TOTAL RENTAL ASSISTANCE	5,759,838	6,652,400	6,618,000	(34,400)	-0.5%
SENIOR DONATIONS					
DONATIONS	23,725	12,500	28,000	15,500	124.0%
INTEREST	5,155	3,600	0	(3,600)	-100.0%
OTHER	0	13,800	0	(13,800)	-100.0%
TOTAL SENIOR DONATIONS	28,880	29,900	28,000	(1,900)	-6.4%
STREET LIGHTING					
FEDERAL GRANT	938,900	1,539,178	0	(1,539,178)	-100.0%
STREET LIGHTING FEES	727,554	728,572	729,689	1,117	0.2%
OTHER	243,551	176,023	177,516	1,493	0.9%
INTEREST	48,476	10,000	13,785	3,785	37.9%
TOTAL STREET LIGHTING	1,958,481	2,453,773	920,990	(1,532,783)	-62.5%
STREET TREE MAINTENANCE					
TREE MAINTENANCE FEES	465,838	465,177	465,269	92	0.0%
INTEREST	7,071	4,500	1,550	(2,950)	-65.6%
OTHER	0	0	113,500	113,500	0.0%
TOTAL STREET TREE MAINTENANCE	472,909	469,677	580,319	110,642	23.6%
TOTAL SPECIAL REVENUE FUNDS	\$11,697,483	\$14,949,463	\$11,297,901	(\$3,651,562)	-24.4%

**CITY OF CARLSBAD
OPERATING FUNDS
REVENUE ESTIMATES**

REVENUE SOURCE	ACTUAL REVENUE 2009-10	PROJECTED REVENUE 2010-11	ESTIMATED REVENUE 2011-12	DIFFERENCE 2010-11 TO 2011-12	% CHANGE 2010-11 TO 2011-12
ENTERPRISE FUNDS					
WATER OPERATIONS					
WATER SALES	\$17,701,110	\$16,700,000	\$19,320,497	\$2,620,497	15.7%
READY TO SERVE CHARGES	6,957,486	7,370,000	8,526,471	1,156,471	15.7%
PROPERTY TAXES	2,797,015	2,871,700	2,950,000	78,300	2.7%
NEW ACCOUNT CHARGES	125,880	120,000	100,000	(20,000)	-16.7%
BACK-FLOW PROGRAM FEES	116,672	120,000	100,000	(20,000)	-16.7%
PENALTY FEES	261,326	280,000	257,000	(23,000)	-8.2%
INTEREST	(68,194)	(53,800)	1,000	54,800	101.9%
ENGINEERING OVERHEAD	0	86,000	80,000	(6,000)	-7.0%
SERVICE CONNECTION FEES	114,996	82,000	75,000	(7,000)	-8.5%
AGRICULTURAL CREDITS	0	500	0	(500)	-100.0%
OTHER	352,860	3,388,400	250,300	(3,138,100)	-92.6%
TOTAL WATER OPERATIONS	28,359,151	30,964,800	31,660,268	695,468	2.3%
RECYCLED WATER OPERATIONS					
WATER SALES	4,101,232	4,035,000	4,668,156	633,156	15.7%
READY-TO-SERVE CHARGE	450,332	520,000	601,596	81,596	15.7%
RECYCLED WATER CREDITS	1,660,097	1,000,000	1,000,000	0	0.0%
INTEREST	191,993	130,000	130,000	0	0.0%
OTHER	223,143	150,850	115,500	(35,350)	-23.4%
TOTAL RECYCLED WATER OPERATIONS	6,626,797	5,835,850	6,515,252	679,402	11.6%
WASTEWATER OPERATIONS					
SERVICE CHARGES	9,491,143	9,900,000	10,815,614	915,614	9.3%
MISC SEWER	23,906	21,000	20,000	(1,000)	-4.8%
ENGINEERING OVERHEAD	0	180,000	180,000	0	0.0%
PENALTY FEES	70,616	70,000	70,000	0	0.0%
INTEREST	55,046	51,000	51,000	0	0.0%
OTHER	76,689	17,000	16,000	(1,000)	-5.9%
TOTAL WASTEWATER OPERATIONS	9,717,400	10,239,000	11,152,614	913,614	8.9%
SOLID WASTE MANAGEMENT					
INTEREST	245,955	170,000	190,000	20,000	11.8%
RECYCLING FEES (AB939)	272,184	275,000	275,000	0	0.0%
PENALTY FEES	51,847	55,200	55,000	(200)	-0.4%
TRASH SURCHARGE	2,663,770	2,645,605	2,700,000	54,395	2.1%
OTHER	233,942	261,505	275,100	13,595	5.2%
TOTAL SOLID WASTE MANAGEMENT	3,467,698	3,407,310	3,495,100	87,790	2.6%
TOTAL ENTERPRISE FUNDS	\$48,171,046	\$50,446,960	\$52,823,234	\$2,376,274	4.7%

**CITY OF CARLSBAD
OPERATING FUNDS
REVENUE ESTIMATES**

REVENUE SOURCE	ACTUAL REVENUE 2009-10	PROJECTED REVENUE 2010-11	ESTIMATED REVENUE 2011-12	DIFFERENCE 2010-11 TO 2011-12	% CHANGE 2010-11 TO 2011-12
INTERNAL SERVICE FUNDS					
WORKERS' COMPENSATION					
INTERDEPARTMENTAL	\$1,327,400	\$1,327,400	\$1,457,230	\$129,830	9.8%
INTEREST	155,307	110,611	110,611	0	0.0%
OTHER	36,974	5,892	6,000	108	1.8%
TOTAL WORKERS' COMPENSATION	1,519,681	1,443,903	1,573,841	129,938	9.0%
RISK MANAGEMENT					
INTERDEPARTMENTAL	1,563,720	1,610,632	1,609,110	(1,522)	-0.1%
INTEREST	21,805	0	0	0	0.0%
OTHER	21,787	20,000	20,000	0	0.0%
TOTAL RISK MANAGEMENT	1,607,312	1,630,632	1,629,110	(1,522)	-0.1%
SELF-INSURED BENEFITS					
INTERDEPARTMENTAL	875,677	837,147	879,004	41,857	5.0%
INTEREST	0	77,856	0	(77,856)	-100.0%
OTHER	75,762	0	77,856	77,856	0.0%
TOTAL SELF-INSURED BENEFITS	951,439	915,003	956,860	41,857	4.6%
VEHICLE MAINTENANCE					
INTERDEPARTMENTAL	2,689,237	2,819,223	2,885,809	66,586	2.4%
INTEREST	13,136	0	0	0	0.0%
OTHER	28,801	28,806	32,000	3,194	11.1%
TOTAL VEHICLE MAINTENANCE	2,731,174	2,848,029	2,917,809	69,780	2.5%
VEHICLE REPLACEMENT					
INTERDEPARTMENTAL	2,143,637	2,191,718	1,862,321	(329,397)	-15.0%
INTEREST	324,856	240,000	300,000	60,000	25.0%
TOTAL VEHICLE REPLACEMENT	2,468,493	2,431,718	2,162,321	(269,397)	-11.1%
INFORMATION TECHNOLOGY					
INTERDEPARTMENTAL	5,838,489	6,515,146	6,683,208	168,062	2.6%
INTEREST	106,362	78,000	75,000	(3,000)	-3.9%
OTHER	297,957	0	16,416	16,416	0.0%
TOTAL INFORMATION TECHNOLOGY	6,242,808	6,593,146	6,774,624	181,478	2.8%
TOTAL INTERNAL SERVICE FUNDS	\$15,520,907	\$15,862,431	\$16,014,565	\$152,134	1.0%

**CITY OF CARLSBAD
OPERATING FUNDS
REVENUE ESTIMATES**

REVENUE SOURCE	ACTUAL REVENUE 2009-10	PROJECTED REVENUE 2010-11	ESTIMATED REVENUE 2011-12	DIFFERENCE 2010-11 TO 2011-12	% CHANGE 2010-11 TO 2011-12
REDEVELOPMENT FUNDS					
VILLAGE OPERATIONS / DEBT SERVICE					
RENTAL INCOME	\$9,053	\$14,000	\$14,000	\$0	0.0%
TAX INCREMENT	2,823,918	2,700,000	2,665,600	(34,400)	-1.3%
INTEREST	18,277	43,000	47,200	4,200	9.8%
OTHER	5,396,000	10,000	0	(10,000)	-100.0%
TOTAL VILLAGE OPERATIONS / DEBT SERVICE	8,247,248	2,767,000	2,726,800	(40,200)	-1.5%
VILLAGE LOW AND MOD INCOME HOUSING					
TAX INCREMENT	705,980	681,250	600,000	(81,250)	-11.9%
INTEREST	146,987	260,000	100,000	(160,000)	-61.5%
TOTAL VILLAGE LOW AND MOD INCOME HOUSING	852,967	941,250	700,000	(241,250)	-25.6%
SCCRA OPERATIONS / DEBT SERVICE					
TAX INCREMENT	0	0	0	0	0.0%
INTEREST	21,057	57,000	30,000	(27,000)	-47.4%
OTHER	1,427,000	0	0	0	0.0%
TOTAL SCCRDA OPERATIONS / DEBT SERVICE	1,448,057	57,000	30,000	(27,000)	-47.4%
SCCRA LOW AND MOD INCOME HOUSING					
TAX INCREMENT	0	0	0	0	0.0%
INTEREST	8,027	0	6,000	6,000	0.0%
TOTAL SCCRDA LOW AND MOD INCOME HOUSING	8,027	0	6,000	6,000	0.0%
TOTAL REDEVELOPMENT FUNDS	\$10,556,299	\$3,765,250	\$3,462,800	(\$302,450)	-8.0%
TOTAL OPERATING	\$201,703,865	\$196,372,104	\$197,167,953	\$795,849	0.4%

**CITY OF CARLSBAD
OPERATING FUNDS
BUDGET EXPENDITURE SCHEDULE**

DEPARTMENT	2008-09 ACTUAL*	2009-10 ACTUALS *	2010-11 ESTIMATED EXPENDITURES	2010-11 BUDGET	2011-12 BUDGET	%INCR (DEC) 10-11 BUD TO 11-12 BUD
GENERAL FUND						
POLICY AND LEADERSHIP GROUP						
CITY COUNCIL	\$356,218	\$333,004	\$351,108	\$373,363	\$372,344	-0.3%
CITY ATTORNEY	1,288,406	1,294,939	1,320,616	1,312,291	1,336,460	1.8%
CITY CLERK	121,958	105,532	176,214	274,841	139,803	-49.1%
CITY MANAGER	1,457,435	1,598,471	1,341,748	1,570,323	1,491,771	-5.0%
CITY TREASURER	185,441	189,895	180,644	196,488	197,922	0.7%
COMMUNICATIONS	674,407	765,065	784,573	691,628	679,661	-1.7%
RECORDS MANAGEMENT	844,886	777,147	761,686	863,024	698,511	-19.1%
TOTAL POLICY AND LEADERSHIP GROUP	4,928,751	5,064,053	4,916,589	5,281,958	4,916,472	-6.9%
INTERNAL SERVICES						
FINANCE	3,412,776	3,290,451	3,341,585	3,298,808	3,383,709	2.6%
HUMAN RESOURCES	2,233,597	2,255,036	2,360,346	2,374,297	2,294,266	-3.4%
PROPERTY AND ENVIRONMENTAL MANAGEMENT	5,068,488	4,637,869	5,206,628	4,802,415	4,738,531	-1.3%
TOTAL ADMINISTRATIVE SERVICES	10,714,861	10,183,356	10,908,559	10,475,520	10,416,506	-0.6%
COMMUNITY DEVELOPMENT						
COMMUNITY AND ECONOMIC DEVELOPMENT	8,257,699	8,141,073	7,005,702	7,433,968	7,161,357	-3.7%
HOUSING AND NEIGHBORHOOD SERVICES	356,691	390,147	361,118	430,182	550,245	27.9%
TOTAL COMMUNITY DEVELOPMENT	8,614,390	8,531,220	7,366,820	7,864,150	7,711,602	-1.9%
COMMUNITY SERVICES						
LIBRARY AND ARTS	10,554,221	10,101,250	9,946,230	10,418,723	10,412,121	-0.1%
PARKS AND RECREATION	12,546,071	12,223,237	11,530,978	12,428,761	13,020,229	4.8%
TOTAL COMMUNITY SERVICES	23,100,292	22,324,487	21,477,208	22,847,484	23,432,350	2.6%
PUBLIC SAFETY						
FIRE	17,358,775	17,111,580	16,067,247	16,228,573	16,931,875	4.3%
POLICE	27,435,164	27,391,882	27,731,971	28,162,339	28,204,533	0.1%
TOTAL PUBLIC SAFETY	44,793,939	44,503,462	43,799,218	44,390,912	45,136,408	1.7%
PUBLIC WORKS						
TRANSPORTATION	9,415,301	9,023,875	9,286,686	9,116,428	8,883,352	-2.6%
STORM DRAIN ENGINEERING	283,705	279,592	255,125	262,108	281,317	7.3%
TOTAL PUBLIC WORKS	\$9,699,006	\$9,303,467	\$9,541,811	\$9,378,536	\$9,164,669	-2.3%

NOTE: ESTIMATED EXPENDITURES MAY EXCEED ADOPTED BUDGET SINCE THEY INCLUDE PRIOR YEAR BUDGET APPROPRIATIONS.

* ACTUALS, ESTIMATED EXPENDITURES AND BUDGET HAVE BEEN ADJUSTED TO REFLECT THE CITY'S REORGANIZATION IMPLEMENTATION.

**CITY OF CARLSBAD
OPERATING FUNDS
BUDGET EXPENDITURE SCHEDULE**

DEPARTMENT	2008-09 ACTUAL*	2009-10 ACTUALS *	2010-11 ESTIMATED EXPENDITURES	2010-11 BUDGET	2011-12 BUDGET	%INCR (DEC) 10-11 BUD TO 11-12 BUD
GENERAL FUND - CONTINUED						
MISCELLANEOUS NON-DEPARTMENTAL						
EXPENDITURES						
BEACH PARKING	\$1,323	\$1,483	\$0	\$0	\$0	-
COMMUNITY CONTRIBUTIONS	649,645	22,000	30,000	0	33,640	-
DISASTER PREPAREDNESS	16,412	0	0	0	0	-
DUES & SUBSCRIPTIONS	58,115	55,081	65,000	73,800	55,000	-25.5%
LEGAL SERVICES	102,612	42,231	60,000	160,000	80,000	-50.0%
MANAGEMENT INCENTIVE PAY	0	0	0	0	0	-
PROFESSIONAL SERVICES	258,362	428,523	132,000	152,500	88,000	-42.3%
OTHER MISCELLANEOUS EXPENDITURES	0	0	0	6,066	0	-100.0%
PERSONNEL RELATED	0	0	0	0	0	-
PROPERTY TAX & OTHER ADMINISTRATION	624,525	660,807	770,000	670,000	750,000	11.9%
TOTAL EXPENDITURES	1,710,994	1,210,125	1,057,000	1,062,366	1,006,640	-5.2%
TRANSFERS						
HOSP GROVE DEBT SERVICE	90,000	0	0	0	0	-
INFRASTRUCTURE REPLACEMENT FUND	7,800,000	6,538,000	7,175,000	7,175,000	7,382,000	2.9%
MISCELLANEOUS TRANSFERS OUT	319,445	3,137,463	0	0	0	-
TRANSFERS TO GOLF COURSE: DEBT SERVICE	0	0	0	0	1,110,750	-
TRANSFERS TO GOLF COURSE: OPERATING SUBSIDY	0	0	0	0	295,000	-
TRANSFER TO LLD#1 (MEDIANS & TREES)	0	0	253,850	253,850	473,000	86.3%
TRANSFER TO STORM WATER PROGRAM	154,273	177,000	207,000	207,000	215,000	3.9%
TOTAL TRANSFERS	8,363,718	9,852,463	7,635,850	7,635,850	9,475,750	24.1%
TOTAL MISCELLANEOUS NON-DEPARTMENTAL	\$10,074,712	\$11,062,588	\$8,692,850	\$8,698,216	\$10,482,390	20.5%
SUBTOTAL GENERAL FUND	111,925,951	110,972,633	106,703,055	108,936,776	111,260,397	2.1%
CONTINGENCIES	0	0	0	500,000	500,000	0.0%
TOTAL GENERAL FUND	\$111,925,951	\$110,972,633	\$106,703,055	\$109,436,776	\$111,760,397	2.1%

**CITY OF CARLSBAD
OPERATING FUNDS
BUDGET EXPENDITURE SCHEDULE**

SPECIAL REVENUE FUNDS						%INCR (DEC)
DEPARTMENT	2008-09 ACTUAL*	2009-10 ACTUALS *	2010-11 ESTIMATED EXPENDITURES	2010-11 BUDGET	2011-12 BUDGET	10-11 BUD TO 11-12 BUD
SPECIAL REVENUE FUNDS						
AFFORDABLE HOUSING	\$432,908	\$489,965	\$504,913	\$500,577	\$473,580	-5.4%
BUENA VISTA CHANNEL MAINTENANCE	39,304	81,213	129,573	103,540	293,511	183.5%
CITIZEN'S OPTION FOR PUBLIC SAFETY	200,883	128,970	96,869	114,496	0	-100.0%
COMMUNITY ACTIVITY GRANTS	29,000	40,000	0	40,000	50,000	25.0%
COMMUNITY DEVELOPMENT BLOCK GRANT	1,034,621	435,628	622,567	663,954	664,834	0.1%
CULTURAL ARTS DONATIONS	86,979	83,512	94,806	91,350	76,960	-15.8%
LIBRARY AND ARTS ENDOWMENT FUND	15,670	13,025	6,605	6,400	4,000	-37.5%
LIBRARY GIFTS/BEQUESTS	159,709	188,672	130,806	0	59,000	-
LIGHTING AND LANDSCAPING DISTRICT NO. 2	186,997	214,478	199,353	197,153	216,847	10.0%
LOCAL CABLE INFRASTRUCTURE FUND	172,523	197,584	294,458	368,960	366,962	-0.5%
MEDIAN MAINTENANCE	552,874	599,179	906,074	680,504	730,814	7.4%
POLICE ASSET FORFEITURE	249,394	99,419	19,756	16,530	156,258	845.3%
POLICE GRANTS	0	38,304	340,686	0	0	-
PUBLIC ART	33,488	6,542	28,445	22,900	0	-100.0%
RECREATION DONATIONS	10,295	26,933	33,157	42,131	44,408	5.4%
RENTAL ASSISTANCE	6,158,419	6,251,051	6,346,335	6,578,677	6,622,482	0.7%
SENIOR DONATIONS	29,079	23,095	31,000	40,990	34,990	-14.6%
STREET LIGHTING	1,007,361	1,287,285	3,132,266	861,248	1,002,765	16.4%
STREET TREE MAINTENANCE	556,124	552,035	694,860	612,295	643,892	5.2%
TOTAL SPECIAL REVENUE FUNDS	\$10,955,628	\$10,756,890	\$13,612,529	\$10,941,705	\$11,441,303	4.6%
ENTERPRISE FUNDS						
WATER OPERATIONS	\$26,239,389	\$29,330,780	\$29,335,177	\$30,945,359	\$31,554,624	2.0%
RECYCLED WATER OPERATIONS	6,007,633	6,419,797	7,110,264	6,889,719	7,404,022	7.5%
WASTEWATER OPERATIONS	11,494,070	10,003,749	9,648,270	10,508,223	11,058,124	5.2%
SOLID WASTE MANAGEMENT	2,580,222	2,660,596	2,779,456	3,213,004	3,500,924	9.0%
TOTAL ENTERPRISE FUNDS	\$46,321,314	\$48,414,922	\$48,873,167	\$51,556,305	\$53,517,694	3.8%
INTERNAL SERVICE FUNDS						
WORKERS' COMPENSATION	\$2,194,246	\$1,596,033	\$2,868,608	\$1,841,504	\$1,996,557	8.4%
RISK MANAGEMENT	1,309,057	1,118,322	2,087,080	1,467,171	1,381,044	-5.9%
SELF-INSURED BENEFITS	976,127	959,026	990,328	951,560	1,098,265	15.4%
VEHICLE MAINTENANCE	2,440,291	2,576,267	2,713,374	2,795,426	2,845,518	1.8%
VEHICLE REPLACEMENT	1,398,923	1,042,260	1,631,750	1,310,000	1,716,500	31.0%
INFORMATION TECHNOLOGY	5,792,178	5,971,417	6,661,743	5,900,575	6,299,288	6.8%
TOTAL INTERNAL SERVICE FUNDS	\$14,110,822	\$13,263,325	\$16,952,883	\$14,266,236	\$15,337,172	7.5%
REDEVELOPMENT						
VILLAGE OPERATIONS / DEBT SVC	\$2,048,177	\$7,776,839	\$3,908,282	\$1,774,404	\$1,441,954	-18.7%
VILLAGE LOW/MOD INCOME HSNG	79,990	82,053	80,585	101,331	73,558	-27.4%
SCCRA OPERATIONS / DEBT SVC	111,807	1,212,905	400,990	196,379	190,459	-3.0%
SCCRA LOW/MOD INCOME HSNG	67,858	52,426	43,185	65,410	54,016	-17.4%
TOTAL REDEVELOPMENT	\$2,307,832	\$9,124,223	\$4,433,042	\$2,137,524	\$1,759,987	-17.7%
TOTAL OPERATING FUNDS	\$185,621,547	\$192,531,993	\$190,574,676	\$188,338,546	\$193,816,553	2.9%

General Fund	\$111,760,397
Non GF	82,056,156
	<u>\$193,816,553</u>

NOTE: Estimated expenditures may exceed Adopted Budget since they include prior year budget appropriations.

* ACTUALS, ESTIMATED EXPENDITURES AND BUDGET HAVE BEEN ADJUSTED TO REFLECT THE CITY'S REORGANIZATION IMPLEMENTATION.